



January 24, 2018

Chairman Ajit V. Pai
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Joint Comments of Pennsylvania's Low Income Consumers, Service Providers, Organizations, and Consumer Rights Advocates

Bridging the Digital Divide for Low-Income Consumers, WC Docket No. 17-287
Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42
Telecommunications Carriers Eligible for Universal Svc. Support, WC Docket No. 10-197

Dear Chairman Pai,

Please find the attached Joint Comments of Pennsylvania's Low Income Consumers, Service Providers, Organizations, and Consumer Rights Groups, which are being filed for your consideration in the above noted proceedings. Joint Commenters include: Action Alliance of Senior Citizens of Greater Philadelphia, The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania; The Health, Education and Legal Assistance Project: a Medical-Legal Partnership (HELP: MLP); Homeless Advocacy Project; Just Harvest; Pennsylvania Institutional Law Project; The Pennsylvania Legal Aid Network (PLAN); Regional Housing Legal Services; Safe Berks; SeniorLAW Center; Tenant Union Representative Network; Women Against Abuse; The Women's Center, Inc. of Columbia and Montour Counties; Women's Resource Center; and pro bono attorney Stephen R. Krone, Esq, in his individual capacity.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Elizabeth R. Marx'.

Elizabeth R. Marx, Esq.

On Behalf of the Signatory Parties

CC: Commissioner Mignon Clyburn
Commissioner Michael O'Rielly
Commissioner Brendan Carr
Commissioner Jessica Rosenworcel

**Before the Federal Communications Commission
Washington, D.C. 20554**

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| In the Matter of |) | |
| |) | |
| Bridging the Digital Divide for Low-Income Consumers |) | WC Docket No. 17-287 |
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| Lifeline and Link Up Reform and Modernization |) | WC Docket No. 11-42 |
| |) | |
| Telecommunications Carriers Eligible for Universal Service Support |) | WC Docket No. 09-197 |
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**Joint Comments of Pennsylvania's Low Income Individuals, Service Providers,
Organizations, and Consumer Rights Groups**

Action Alliance of Senior Citizens of Greater Philadelphia

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)

The Health, Education and Legal Assistance Project: a Medical-Legal Partnership
(HELP: MLP)

Homeless Advocacy Project

Just Harvest

The Pennsylvania Institutional Law Project

The Pennsylvania Legal Aid Network, Inc.

Regional Housing Legal Services

Safe Berks

SeniorLAW Center

Stephen R. Krone, Esq., Pro Bono Attorney

Tenant Union Representative Network

Women Against Abuse

The Women's Center, Inc. of Columbia and Montour Counties

Women's Resource Center

We, the undersigned, are a coalition of low income individuals, service providers, organizations, and consumer rights advocates from across the state of Pennsylvania. We work with Pennsylvania's veterans, elderly populations, individuals with disabilities, victims of domestic violence, children, and members of other marginalized and uniquely vulnerable populations. We know first-hand the struggles that economically vulnerable families face, and the choices they must make to maintain safe and stable housing and access to food, medical care, and basic utility services. We are keenly aware of an ever-present and growing technological divide that isolates economically vulnerable households, and prevents families from breaking the cycle of poverty.

The individuals and families we represent regularly lack stable access to affordable telephone and internet services, which complicates their ability to engage in their community. Even with Lifeline assistance, many are unable to afford adequate services to meet all of their communication needs. Without adequate telecommunications services, it is difficult for our clients to find and keep a job, access social services, arrange for childcare or transportation, schedule medical appointments, attend legal proceedings, connect with supportive networks, family, and friends, or call for help. Children who lack access to basic communication services are also at a disadvantage, and are more likely to fall behind in school because they cannot keep up with classmates who have access to the internet in their home.

We write today to express our concern about several changes proposed in the FCC's Lifeline Notice of Proposed Rulemaking and Notice of Inquiry. If approved, we believe many of the proposals will eviscerate efforts to connect economically vulnerable households with the communities in which they live and work. With one unified and collective voice, we urge the Commission to abandon the proposals addressed below to ensure that low income families from all corners of our diverse state are able to access safe, stable, and reliable voice and internet services.

- **Limiting Lifeline to facilities-based providers will harm vulnerable Pennsylvanians.**

In its Notice of Proposed Rulemaking, the FCC proposes to “limit[] Lifeline support to facilities-based broadband service provided to a qualifying low-income consumer over the ETC's voice- and broadband-capable last-mile network” and to “discontinue[] Lifeline support for service provided over non-facilities-based networks.” (FCC 17-155 at 24, 25).

Approximately 85% (over 450,000) of Pennsylvania's economically vulnerable Lifeline subscribers receive service from a non-facilities based provider.¹ If the FCC were to impose a facilities-based requirement, the result would be to strand potentially hundreds of thousands of current Lifeline customers, leaving them without access to basic communication service. For many of these customers it will be difficult or impossible to pick up a shift at work, apply for a new job, take a call from their child's school, arrange a medical appointment, or call for help.

¹ See CGM LLC, Alex Rodriguez, Lifeline Statistics as of September 1, 2017 (data derived from USAC Disbursement Tool); see also USAC, Lifeline Participation, <http://www.usac.org/li/about/process-overview/stats/participation.aspx>.

The affordability of Lifeline service from facilities-based providers in Pennsylvania – even with a Lifeline subsidy – is uncertain.² Wireless or broadband Lifeline options available through Pennsylvania’s facilities-based providers most often require a contract for monthly service, purchase of expensive equipment, or credit checks, security deposits, and other upfront or recurring fees. For example, Windstream, a Pennsylvania facilities-based ILEC, offers Lifeline broadband service at a rate of \$67.99/month – or \$58.74/month after the \$9.25 Lifeline discount – not including security deposits or other installation and equipment costs.³ Unfortunately, this high service cost is simply out of reach for most low income families. Many of these same families are already burdened by the high costs of other essential services. In Pennsylvania, even customers who receive assistance under utility affordability programs can be expected to pay heat and electric bills that are up to 17% of their total household income. The inability of low income families to afford energy service is a matter of statewide concern that is currently the subject of a comprehensive review by the Pennsylvania Public Utility Commission.⁴ The proposed changes to Lifeline threaten to further exacerbate the affordability of basic household necessities in Pennsylvania.

While the FCC’s stated intention in shifting to facilities-based Lifeline is to encourage build-out of rural wireless and broadband networks (FCC 17-155 at 24-25), the unintended result of such a shift could send hundreds of thousands of rural and urban low income Pennsylvanians back to wireline service – if they can afford service at all. The FCC notes that a facilities-based requirement would “improve the business case for deploying facilities to serve low income households.” (FCC 17-155 at 24). But there is no guarantee that Lifeline subsidies directed to facilities based providers would be reinvested into rural broadband deployment. Likewise, there is no guarantee that infrastructure investments in rural communities would benefit low income households. Verizon, the most prominent facilities-based provider in Pennsylvania, proved its disinterest in building out broadband in rural Pennsylvania when it declined \$23 million in Connect America Funds to do just that.⁵ Low income households need access to affordable telecommunication service now, and cannot wait for infrastructure investment to drive market prices down. This is precisely why the vast majority of the Universal Service fee – over \$4.5 billion dollars – is already designated to rural and high cost infrastructure investments.

Moreover, it is unclear whether Pennsylvania’s facilities-based providers are committed to serving Lifeline customers. In working with low income Pennsylvanians, we know first-hand how difficult it is to find information about Lifeline service offerings from facilities based companies. **Using the Universal Service Administration Corporation’s (USAC) search tool, we searched Pennsylvania’s zip codes, and found that hundreds of Pennsylvania zip-codes turn up zero**

² With the exception of Virgin Mobile, the only true facilities-based providers in Pennsylvania are its ILECs. See Petition for Partial Rescission and Amendment of Order, Opinion and Order, Pa. PUC Docket No. P-2010-2155915 (February 11, 2011).

³ See Windstream, Lifeline Assistance Program, <https://www.windstream.com/about/windstream-information/lifeline-assistance-program>.

⁴ Review of Universal Service and Energy Conservation Programs, Pa. PUC Docket No. M-2017-2596907.

⁵ See In the Matter of Connect America Fund ETC Annual Reports and Certifications, Pennsylvania Petition for Reconsideration, Modification, or Waiver, FCC WC Docket Nos. 10-90, 14-58 (April 19, 2017), available at http://www.puc.pa.gov/telecom/pdf/fcc/PUC-DCED_Petition-RMW_CAF_PhaseII_041917.pdf.

facilities-based provider options – while hundreds more offer just one facilities-based provider option.⁶ While ILECs operating in each corner of the state are required by Pennsylvania law to offer Lifeline, the lack of search results for facilities-based providers across broad swaths of Pennsylvania is a clear indication that Pennsylvania’s facilities-based providers are not interested in promoting Lifeline products or serving Lifeline customers.

For struggling families from Pittsburgh to Pottsville to Philadelphia, and every place in between, a facilities based provider requirement would eliminate low income consumer choice for telecommunication services. It would – in essence – re-create the same barriers inherent in a monopoly structure for Lifeline service: high security deposits, prior arrears, package or bundled pricing, equipment fees, and other service-related charges. Simply put, the \$9.25 monthly Lifeline benefit is insufficient to offset the increased cost of service from a facilities based provider in Pennsylvania.

If the FCC were to proceed with imposing a facilities-based requirement, it must take clear and decisive steps to eliminate barriers for low income households seeking to access Lifeline assistance. When an ETC petitions the Pennsylvania Public Utility Commission (Pa. PUC) to abandon Lifeline service obligations, the Pa. PUC has ordered the petitioning ETC to ease the transition of its Lifeline subscribers. In 2015, the Pa. PUC required Cricket “to ensure that its Lifeline customers [had] at least one option, available upon request, for a seamless transition to another Lifeline carrier such that the most vulnerable of Lifeline customers will not experience a connection or deposit fee.”⁷ The Pa. PUC further ordered Cricket to “assist switching customers with any required certifications.”⁸ If the FCC were to proceed with imposing a facilities-based requirement, it should first establish similar protections to ensure that vulnerable households are able to smoothly transition to a facilities-based provider without facing intractable financial obstacles.

- **Voice service should remain a Lifeline option in urban and rural America.**

The FCC’s Notice of Proposed Rulemaking sought explicit input “on continuing the phase down of Lifeline support for voice-only services,” and questions whether – in addition to the phase down of urban voice-only service – it should also eliminate rural voice-only Lifeline support. (FCC 17-155 at 27-28).

We oppose the phase down of voice-only Lifeline support in urban and rural areas alike. Voice-only telecommunication service is and continues to be the most accessible form of communication service. It is, quite literally, a lifeline for low income households who cannot afford the upfront costs associated with more advanced service – ensuring that they are not stranded or isolated from their community.

The FCC argues that voice service in urban areas is already affordable without a Lifeline subsidy, pointing to the fact that some urban voice only providers offer service for \$15/month – and that

⁶ USAC, Companies Near Me, <https://data.usac.org/publicreports/CompaniesNearMe/Download/Report>.

⁷ Cricket Communications, Inc. Petition to Relinquish its Designation as an Eligible Telecommunications Carrier Under 47 U.S.C. § 214(e)(2), Order, Pa. PUC Docket No. P-2010-2156502, at 6-7 (Feb. 26, 2015).

⁸ Id.

the national average for voice-only service in urban areas is \$25.50. (FCC 17-155 at 28). The FCC also points to fact that the “reasonable comparability benchmark for rural voice service providers is \$45.38/month,” which it admits “may not be [affordable] in practice.” (*Id.*)

While a \$15/month fee may sound like an affordable rate to many, it can pose an insurmountable barrier for those living at the deepest levels of poverty. Urban and rural low income households across our state struggle to pay for life’s most essential services. Indeed, urban areas should not be singled out for phased-out Lifeline voice subsidies. Across our state, urban areas are dense with pockets of extreme poverty. Philadelphia remains the poorest big city in America.⁹ Reading, Pennsylvania – our state’s 5th largest city – has the highest poverty rate in the state, with 39.3% of households living at or below 100% of the Federal Poverty Guidelines.¹⁰ In Erie, Pennsylvania – the 4th largest city – the poverty rate is 26.4%.¹¹ For a family of 2, that is a maximum annual income of \$16,240 – a fraction of what is truly needed to afford the bare necessities of life. According to the Pennsylvania self-sufficiency standard, a family of 2 in Erie need at least \$35,000 in annual income to afford six basic life necessities: housing, child care, food, health care, transportation, and taxes.¹²

Eliminating voice only Lifeline options would force low income families in rural and urban areas alike to choose between connecting with their community and accessing medical care, rent, heat, and other critical services. Forcing such a choice is not only untenable, it is also dangerous. Medically vulnerable individuals and seniors must have stable voice service to reach medical providers; victims of domestic violence must have accessible voice service to connect to emergency services; and parents must be able to reach their child’s daycare or school.

Given the likelihood for significant harm to vulnerable low income households, we urge the FCC to protect our most vulnerable populations and reverse course on its planned phase-down of Lifeline support for voice-only services.

- **Lifeline should not be subject to caps or lifetime limits.**

The Notice of Proposed Rulemaking and Notice of Inquiry set forth two proposals which would curtail the availability of Lifeline assistance: (1) impose a hard cap on overall Lifeline spending, with priority for rural recipients; and (2) set a lifetime limit on individual Lifeline recipients. (FCC 17-155 at 37-38; 45). **We strongly oppose both proposals to arbitrarily limit universal access to telecommunication and broadband services.**

First, the proposal to implement a hard cap on spending would cause significant confusion and uncertainty for low income families and service providers alike. As explained in greater depth above, there is a pronounced need for Lifeline assistance regardless of whether a family lives in

⁹ <http://www.philly.com/philly/news/philadelphia-census-deep-poverty-poorest-big-city-income-survey-20170914.html>

¹⁰ US Census Bureau, Quick Facts – Reading City, Pennsylvania, <https://www.census.gov/quickfacts/fact/table/readingcitypennsylvania,PA/PST045217>.

¹¹ US Census Bureau, Quick Facts - Erie City, Pennsylvania, <https://www.census.gov/quickfacts/fact/table/eriecitypennsylvania,PA/PST045217>.

¹² Diana M. Pearce, Pathways, PA, Overlooked and Undercounted: How the Great Recession Impacted Household Self-Sufficiency in Pennsylvania (Oct. 2012).

an urban or rural geographic area. Curtailing benefits mid-year would cause rate shock for many who are unprepared and unable to absorb additional service costs, leading to increased program churn and termination of critical telecommunication services. In turn, benefit curtailment would cause low income households to face unnecessary connection fees, equipment costs, and other financial burdens inherent to frequent termination of service.

Moreover, the proposal to institute a lifetime limit on the receipt of Lifeline benefits is similarly misguided. Not only would it pose an indefensible administrative burden to implement and track, it would also penalize individuals who may fall on hard times at different times in their life. Indeed, imposing such a limit will disproportionately punish older Pennsylvanians, who may find they again need Lifeline service later in life.

Given the fragility of low income household finances, and the acute need for assistance across urban and rural America, it is critical to ensure that benefits are not arbitrarily capped or diverted away from those in need. Lifeline offers critical assistance to ensure that vulnerable households are not isolated from their communities.

We recognize that the FCC wishes to curtail program abuses and unnecessary costs; however, we respectfully assert that – prior to taking any drastic measures such as those proposed – the FCC should allow the National Verifier system to be fully implemented. This approach, opposed to curtailment of critical services, will guarantee that appropriate cost controls are in place to protect against abuse while ensuring that all vulnerable households can connect with their communities.

We are grateful to the FCC for the ability to provide comment on these critically important issues, and urge the FCC to act in accord with the recommendations made above to ensure that vulnerable households across our state and the nation are able to connect with the communities in which they live and work.

Respectfully Submitted,

Pennsylvania's Low Income Individuals, Service Providers, Organizations, and Consumer Rights Groups

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